

**STATE FIRE AND TORNADO FUND  
INVESTMENT PERFORMANCE REPORT AS OF FEBRUARY 28, 2005**

	February-05				January-05				December-04				September-04				Current FYTD	Prior Year FY04	3 Years Ended 6/30/2004	5 Years Ended 6/30/2004
	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net	Net	Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>																				
<i>Structured Growth</i>																				
Los Angeles Capital	515,086	2.2%	2.3%	3.75%	496,657	2.2%	2.3%	-3.51%	514,651	2.2%	2.3%	10.37%	486,381	2.2%	2.3%	-4.14%	5.91%	N/A	N/A	N/A
<b>Total Structured Growth</b>	<b>515,086</b>	<b>2.2%</b>	<b>2.3%</b>	<b>3.75%</b>	<b>496,657</b>	<b>2.2%</b>	<b>2.3%</b>	<b>-3.51%</b>	<b>514,651</b>	<b>2.2%</b>	<b>2.3%</b>	<b>10.37%</b>	<b>486,381</b>	<b>2.2%</b>	<b>2.3%</b>	<b>-4.14%</b>	<b>5.91%</b>	<b>17.58%</b>	<b>-6.28%</b>	<b>-7.85%</b>
Russell 1000 Growth				1.06%				-3.33%				9.17%				-5.23%	1.08%	17.88%	-3.74%	-6.48%
<i>Structured Value</i>																				
LSV	567,844	2.5%	2.3%	3.92%	546,273	2.4%	2.3%	-1.46%	554,202	2.4%	2.3%	9.01%	530,410	2.4%	2.3%	3.21%	15.22%	30.56%	9.33%	8.36%
Russell 1000 Value				3.31%				-1.78%				10.38%				1.54%	13.74%	21.13%	2.96%	1.87%
<i>Russell 1000 Enhanced Index</i>																				
LA Capital	1,091,974	4.8%	4.5%	3.33%	1,057,157	4.6%	4.5%	-2.63%	1,085,559	4.7%	4.5%	9.28%	1,036,138	4.6%	4.5%	-1.68%	8.10%	N/A	N/A	N/A
Russell 1000				2.25%				-2.52%				9.80%				-1.81%	7.46%	N/A	N/A	N/A
<i>S&amp;P 500 Enhanced Index</i>																				
Westridge	1,051,801	4.6%	4.5%	2.13%	1,029,726	4.5%	4.5%	-2.40%	1,054,854	4.6%	4.5%	9.47%	1,006,796	4.5%	4.5%	-1.99%	6.93%	N/A	N/A	N/A
S&P 500				2.10%				-2.44%				9.23%				-1.87%	6.78%	N/A	N/A	N/A
<i>Index</i>																				
State Street	316,088			2.11%	309,565			-2.44%	317,309			9.23%	303,042			-1.88%	6.75%	19.01%	-0.75%	-2.28%
<b>Total Index</b>	<b>316,088</b>	<b>1.4%</b>	<b>1.5%</b>	<b>2.11%</b>	<b>309,565</b>	<b>1.4%</b>	<b>1.5%</b>	<b>-2.44%</b>	<b>317,309</b>	<b>1.4%</b>	<b>1.5%</b>	<b>9.23%</b>	<b>303,042</b>	<b>1.4%</b>	<b>1.5%</b>	<b>-1.88%</b>	<b>6.75%</b>	<b>19.01%</b>	<b>-0.75%</b>	<b>-2.28%</b>
S&P 500				2.10%				-2.44%				9.23%				-1.87%	6.78%	19.11%	-0.70%	-2.21%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>3,542,792</b>	<b>15.4%</b>	<b>15.0%</b>	<b>3.01%</b>	<b>3,439,379</b>	<b>15.0%</b>	<b>15.0%</b>	<b>-2.49%</b>	<b>3,526,574</b>	<b>15.2%</b>	<b>15.0%</b>	<b>9.45%</b>	<b>3,362,769</b>	<b>15.1%</b>	<b>15.0%</b>	<b>-1.42%</b>	<b>8.38%</b>	<b>21.46%</b>	<b>0.15%</b>	<b>-1.39%</b>
S&P 500				2.10%				-2.44%				9.23%				-1.87%	6.78%	19.11%	-0.70%	-2.21%
<b>SMALL CAP DOMESTIC EQUITY</b>																				
<i>Manager-of-Managers</i>																				
SEI	1,175,945	5.1%	5.0%	1.88%	1,154,969	5.0%	5.0%	-4.48%	1,208,969	5.2%	5.0%	14.79%	1,159,375	5.2%	5.0%	-3.60%	7.69%	32.99%	5.51%	N/A
Russell 2000 + 200bp				1.86%				-4.01%				14.64%				-2.36%	9.44%	35.99%	7.90%	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>1,175,945</b>	<b>5.1%</b>	<b>5.0%</b>	<b>1.88%</b>	<b>1,154,969</b>	<b>5.0%</b>	<b>5.0%</b>	<b>-4.48%</b>	<b>1,208,969</b>	<b>5.2%</b>	<b>5.0%</b>	<b>14.79%</b>	<b>1,159,375</b>	<b>5.2%</b>	<b>5.0%</b>	<b>-3.60%</b>	<b>7.69%</b>	<b>32.99%</b>	<b>5.54%</b>	<b>7.29%</b>
Russell 2000				1.69%				-4.17%				14.09%				-2.86%	8.01%	33.36%	6.24%	6.63%
<b>CONVERTIBLES</b>																				
TCW	2,289,359	10.0%	10.0%	-0.09%	2,275,777	9.9%	10.0%	-2.07%	2,339,526	10.1%	10.0%	8.41%	2,232,253	10.0%	10.0%	-4.35%	1.45%	17.50%	1.03%	3.90%
Merrill Lynch All Convertibles				-0.73%				-2.29%				5.37%				-1.05%	1.13%	14.16%	4.89%	5.75%
<b>INTERNATIONAL EQUITY</b>																				
<i>Large Cap - Active</i>																				
Capital Guardian	928,344	4.0%	4.0%	3.56%	895,333	3.9%	4.0%	-0.67%	902,597	3.9%	4.0%	10.01%	1,778,848	8.0%	8.0%	-1.77%	11.17%	25.36%	-0.39%	0.54%
LSV	956,998	4.2%	4.0%	4.63%	914,234	4.0%	4.0%	0.58%	908,551	3.9%	4.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Transition Account	4	0.0%	0.0%	N/A	4	0.0%	0.0%	N/A	(257)	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<b>Total Large Cap - Active</b>	<b>1,885,346</b>	<b>8.2%</b>	<b>8.0%</b>	<b>4.10%</b>	<b>1,809,571</b>	<b>7.9%</b>	<b>8.0%</b>	<b>-0.04%</b>	<b>1,810,891</b>	<b>7.8%</b>	<b>8.0%</b>	<b>10.59%</b>	<b>1,778,848</b>	<b>8.0%</b>	<b>8.0%</b>	<b>-1.77%</b>	<b>13.05%</b>	<b>25.36%</b>	<b>-0.39%</b>	<b>0.54%</b>
MSCI EAFE - 50% Hedged				3.66%				-0.52%				11.11%				-0.72%	13.76%	26.98%	-1.27%	-2.14%
<i>Small Cap - Value</i>																				
Lazard	266,911	1.2%	1.0%	4.30%	255,796	1.1%	1.0%	0.50%	254,605	1.1%	1.0%	16.09%	238,986	1.1%	1.0%	0.29%	22.04%	43.30%	N/A	N/A
Citigroup Broad Market Index < \$2BN				4.20%				2.20%				16.82%				-0.82%	23.38%	47.95%	N/A	N/A
<i>Small Cap - Growth</i>																				
Vanguard	260,959	1.1%	1.0%	4.31%	250,187	1.1%	1.0%	0.92%	247,911	1.1%	1.0%	19.12%	227,049	1.0%	1.0%	0.49%	26.02%	44.68%	N/A	N/A
Citigroup Broad Market Index < \$2BN				4.20%				2.20%				16.82%				-0.82%	23.38%	47.95%	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>2,413,216</b>	<b>10.5%</b>	<b>10.0%</b>	<b>4.15%</b>	<b>2,315,553</b>	<b>10.1%</b>	<b>10.0%</b>	<b>0.12%</b>	<b>2,313,407</b>	<b>10.0%</b>	<b>10.0%</b>	<b>12.57%</b>	<b>2,244,882</b>	<b>10.1%</b>	<b>10.0%</b>	<b>-1.31%</b>	<b>15.84%</b>	<b>29.16%</b>	<b>1.02%</b>	<b>1.39%</b>
MSCI EAFE - 50% Hedged				3.66%				-0.52%				11.11%				-0.72%	13.76%	26.98%	-1.27%	-2.14%
<b>DOMESTIC FIXED INCOME</b>																				
<i>Core Bond</i>																				
Western Asset	4,009,012	17.5%	16.7%	-0.54%	4,067,613	17.8%	16.7%	0.25%	4,055,873	17.5%	16.7%	1.34%	3,929,204	17.6%	16.7%	3.52%	4.61%	2.42%	7.77%	8.10%
Lehman Aggregate				-0.59%				0.63%				0.96%				3.20%	4.22%	0.32%	6.35%	6.95%
<i>Index</i>																				
Bank of ND	5,049,357	22.0%	25.0%	-0.60%	5,124,849	22.4%	25.0%	0.20%	5,113,946	22.1%	25.0%	0.40%	4,944,668	22.2%	25.0%	2.54%	2.53%	0.07%	7.10%	7.25%
Lehman Intermediate Gov/Credit (1)				-0.55%				0.19%				0.44%				2.71%	2.79%	-0.05%	6.97%	7.25%
<i>BBB Average Quality</i>																				
Wells Capital (formerly Strong)	2,273,217	9.9%	8.3%	-0.31%	2,303,147	10.1%	8.3%	1.66%	2,281,261	9.9%	8.3%	2.30%	2,202,885	9.9%	8.3%	4.51%	8.35%	1.18%	N/A	N/A
Lehman US Credit BAA				-0.50%				0.90%				1.69%				4.76%	6.95%	1.96%	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>11,331,585</b>	<b>49.4%</b>	<b>50.0%</b>	<b>-0.52%</b>	<b>11,495,609</b>	<b>50.2%</b>	<b>50.0%</b>	<b>0.51%</b>	<b>11,451,080</b>	<b>49.5%</b>	<b>50.0%</b>	<b>1.11%</b>	<b>11,076,757</b>	<b>49.7%</b>	<b>50.0%</b>	<b>3.27%</b>	<b>4.40%</b>	<b>0.79%</b>	<b>7.00%</b>	<b>7.45%</b>
Lehman Gov/Credit				-0.66%				0.69%				0.80%				3.56%	4.42%	-0.72%	6.73%	7.10%
<b>CASH EQUIVALENTS</b>																				
Bank of ND	2,207,101	9.6%	10.0%	0.21%	2,203,453	9.6%	10.0%	0.22%	2,299,906	9.9%	10.0%	0.53%	2,221,762	10.0%	10.0%	0.44%	1.41%	1.20%	1.72%	3.39%
90 Day T-Bill				0.16%				0.17%				0.48%				0.37%	1.18%	0.98%	1.71%	3.30%
<b>TOTAL FIRE &amp; TORNADO FUND</b>	<b>22,959,999</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.72%</b>	<b>22,884,741</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.54%</b>	<b>23,139,461</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4.62%</b>	<b>22,297,799</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.64%</b>	<b>5.48%</b>	<b>9.98%</b>	<b>4.82%</b>	<b>5.23%</b>
POLICY TARGET BENCHMARK				0.38%				-0.49%				4.14%				1.22%	5.30%	8.00%	4.52%	4.67%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Prior to April 1, 2004, the benchmark was the LB Govt/Credit index.